



1.     Question One: To which parties did Canal provide a defense in the State Court Litigation?
2.     Canal provided a defense to Xmex Transport, LLC and Charles Strader under reservations of rights. Canal also provided a defense to Moore Freight and its principals under a different policy of insurance issued by Canal to Moore Freight.
3.     Question Two: May Canal, under the terms of any relevant document, seek reimbursement for any or all of its defense expenditures in the State Court Lawsuit?
4.     Canal did not specifically reserve a right to seek reimbursement for defense costs and fees under the reservation of rights letters it issued in the defense of the State Court Lawsuit. However, to the extent Canal has to pay based on the MCS-90 endorsement contained in the Policy, then Canal has a right under the terms of the MCS-90 endorsement to seek reimbursement of any monies paid out under the MCS-90 endorsement.
5.     Question Three: Is the duty to defend moot because the State Court Litigation has proceeded to final judgment?
6.     At this time, it is not clear the State Court Litigation has proceeded to a final judgment. Although a verdict was rendered, it does not appear that as of May 22, 2013, a final judgment has been entered. After the final judgment is entered in the State Court Litigation, the court will retain plenary power for a period of time, during which time parties may file motions for new trial or notices

of appeal. Consequently, it does not appear the duty to defend inquiry is moot at this time.

**Prayer**

7. Canal prays for all relief, general or special, at law or in equity, to which it shows itself entitled to receive.

RESPECTFULLY SUBMITTED:

BUSH & RAMIREZ, P.L.L.C.

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**CERTIFICATE OF SERVICE**

I certify that on May 22, 2014, a copy of this document was filed electronically. Notice of this filing will be sent by operation of the Court's electronic filing system to all parties indicated on the electronic filing receipt. Parties may access this filing through the Court's electronic system.

/s/ George T. Jackson